

American Airlines regional carriers hike pilot pay more than 50 percent as shortage persists

The increases would make the pilots the highest paid of the U.S. regional airlines, ramping up pressure on other carriers to follow suit.



— Piedmont Airlines is subsidiary of the American Airlines Group.

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By Leslie Josephs, CNBC

Two [American Airlines](#)-owned regional carriers will hike pilot pay by 50 percent through the end of August 2024, the latest sign airlines are willing to pay up in hopes of ending [a pilot shortage](#) that has left some travelers with fewer flight options.

The increases would make the pilots the highest paid of the U.S. regional airlines, ramping up pressure on other carriers to follow suit.

Including separate, permanent pay hikes, the temporary raises will bring hourly wages for first officers in their first year of flying at Piedmont Airlines to \$90 an hour, up from \$51 an hour, the company said. For first-year captains, pay will be \$146 an hour, up from \$78 an hour. The airline could extend the temporary hikes if needed, Piedmont's CEO said Monday.

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Airlines have been on pilot hiring [sprees](#) since last year when travel demand began to bounce back from [Covid pandemic](#) lows. But a persistent shortage of pilots is still [hindering growth](#) at a time of strong demand, prompting airlines to park jets that serve smaller cities. Part of the problem is that airlines [encouraged](#) pilots to take early retirement after demand cratered in 2020 and were left with too few when travel rebounded.

That has intensified the competition for pilots.

“Attrition of the regional pilots, particularly the captains, has really spiked to the point where we’re not able to put our fleet in the air,” Piedmont CEO Eric Morgan told CNBC.

The airline, based in Salisbury, Maryland, has been losing about 25 pilots a month to American’s mainline operation and has fallen short of its goal to hire around 40 pilots each month. It flies 50-seat Embraer ERJ-145s for American, usually between smaller cities, but hasn’t been able to operate 10 of its roughly 60 planes, Morgan said.

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Piedmont approached the union with the pay increases that were outside of normal contract negotiations, said Morgan and Capt. Ryan Miller, chairman of the Piedmont chapter of the Air Line Pilots Association.

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Envoy Air, based in Irving, Texas, said Saturday it reached a similar agreement with its pilots’ union to shell out a 50 percent premium to pilots’ hourly rates through the end of August 2024.

Kit Darby, a pilot-pay consultant and a retired United captain, said raising regional pilots’ pay is a positive step but that the bar was low. He said airlines need to ask, “What is a living wage and what will it take to attract pilots to the career?”

The pay increases come as some of the largest pilot unions – those representing more than 35,000 aviators at [Southwest](#), [Delta](#), JetBlue and American – are in contract talks with their carriers.

American’s management recently offered its roughly 14,000 pilots a 4% raise at the date of signing and then a 3 percent increase in the next year. Allied Pilots Association spokesman Dennis Tajer called that “insulting.”

“Good on the pilots receiving these raises but when you have an airline that’s pushing across a more than 50% pay increase, it’s recognizing with dollars that they have a problem,” Tajer said. APA pilots picketed at the New York Stock Exchange earlier this month for an improved contract and better schedules.

American didn’t immediately comment on the union spokesman’s remarks.

Leslie Josephs, CNBC

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